

JAPAN FINANCES THE WAR

By A. A. MAGNUS

One of the standard arguments put forward by those on the Anglo-American side who believed in Japan's "feet of clay" was Japan's alleged bankruptcy. Placing their faith in their own imposing supply of \$ and £, they felt comfortably secure from a nation which they considered on the verge of collapse after years of conflict with China. Instead of learning from their underestimation of Germany's financial capacity, they continued to slight that of Japan. Now they are bewildered by what has taken place since December 8 and speak of a "miracle." A miracle perhaps it was; yet one whose mechanism can easily be understood if studied without prejudice or shopworn economic dogmas.

Mr. Magnus is known to our readers from his thoughtful article "Three Conceptions of Economics" in our July number of this year. Here, in a few pages, he presents the explanation of Japan's financial "miracle." The figures used in this article have all been published and were just as accessible to Anglo-American observers as to the author. If, a year ago, Washington and London had sifted the available material with the scientific open-mindedness of Mr. Magnus, they might have acted differently in the last crucial months before December 8.—K.M.

WHAT YARDSTICK?

IF we want to review Japan's financing of the war, the first great problem we are faced with is what standard to apply. By what yardstick are we to measure the figures appearing in the course of our study? Without a proper yardstick, all the billions listed can easily become confusing.

The first and most obvious choice would be the figures of the last year before the war, in this case the statistics for 1936, and to compare all later figures to these. However, since the developments of the last five years have been eventful, not to say dramatic, one does not do full justice to the dynamic figures of war financing unless one chooses a yardstick which adjusts itself to the development.

Price indexes might serve; however, in Japan they are based to an increasing degree on officially fixed prices. Hence they no longer accurately reflect the development of the entire economic life and do not permit of any infallible conclusions regarding the actual basis of all economic movement—the national income. So it seems most practical to turn our attention directly to the national

income itself, especially as we are fortunate enough to possess the latest estimates presented before the Diet sessions in January 1942 by the Japanese Minister of Finance Kaya, who has based his own financial policy on these figures.

JAPAN'S NATIONAL INCOME

The problem of the national income has been closely studied in Japan. We refer especially to a pamphlet published in English by the Keizai Remmei, the most important private economic organization in Japan. This pamphlet is entitled *National Income of Japan 1930-39* and represents an exhaustive study of the various estimates published. If we combine the figures of the estimates up to 1939 published by the Keizai Remmei (p. 102) with the statistics of Finance Minister Kaya for 1940-42, we arrive at the development of the Japanese national income shown in the following chart.

For the years from 1932-1942 inclusive we thus find an average annual increase in the national income of approximately 13 per cent. But, if only because of the variation in the world's grain harvests, it will always be difficult to avoid fluctuations, even if an increasing number of

states are replacing the passivity of liberalism by the activity of a modern, national economic policy. In the past there were big leaps in Japan, as, for example, the recovery of 1933, with an increase of 19 per cent in the national income, or the increase of 24 per cent from 1936 to 1937 which can be traced to the China incident. In most years, however, only a slightly smaller figure was achieved, i.e., from 10 to 11 per cent.

We must emphatically state here that we are not setting up the national income as a yardstick in order to calculate directly what part of this national income is being consumed and what part is being saved, for the purpose of discussing the prospects for financing the war. The relationship between national income and consumption is far too complicated for that. We simply want to use the national income as a nonrigid standard to aid our comparisons.

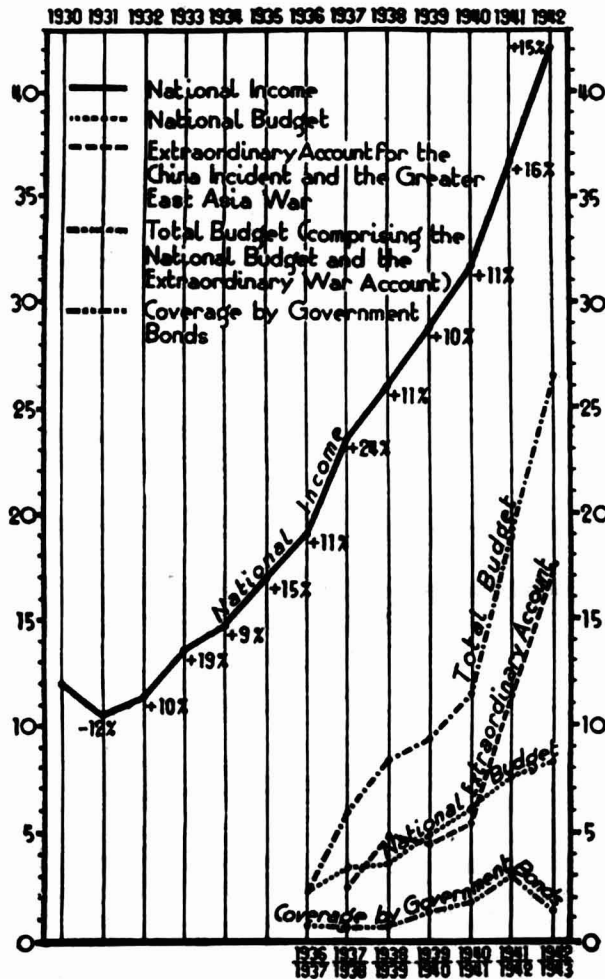
THE FAMILY INCOME

The income of the Japanese family is the smallest unit of which the national income is composed. Usually not only the head of the family earns money but also children and close relatives who are members of the household. Independent, single persons, whose income is not in one way or another related to a family,

are very rare. A fraction, usually very small, of this family income is spent in payment of direct taxes. The largest part serves to pay for the daily needs, and a small part can be saved.

The major task in financing war is to procure the largest possible share of the family income for the State. In Japan, direct taxation only serves this purpose

to a small extent. The State expends far greater efforts in urging the people to lower as much as possible that part of the family income which is used for the payment of daily needs and, instead, to increase the share of savings. To this must be added the fact that through the heavy increase of indirect taxes considerable parts of the family's expenditure on daily needs flow into the State treasury. If it is seen to that the savings are delivered into the hands of the State and that the direct and indirect taxes are



increased, the State's share in the national income will grow. Then the State becomes to an increasing extent the employer who gives work to a growing part of the nation and whose expenditure reappears in the family budget as income.

Generally speaking, therefore, the circulation "family income—family expenditure—government revenue—government expenditure—family income" be-

comes broader and broader; while the other circulation "family income—family expenditure—income of the producer of commodities—expenditure of the producer of commodities—family income" decreases accordingly.

FIFTY-FOUR SPECIAL BUDGETS

The Japanese budget is a highly complicated structure, which here can only be described in broad outline. Its center is the national budget, which embraces the revenue and expenditure of the thirteen State ministries. Around this center revolve the "special budgets," of which there are at present fifty-four. Among them are, for instance, the budgets of all colonial administrations, of the various communication administrations, and of the monopolies. As a rule, each ministry has its special budgets, in which State funds are accounted for together with its own regular revenues.

Most of the special budgets have undergone no major alterations during the last five years and therefore have no great influence on the change in the distribution of savings and consumption. As a rule, only minor loans are necessary to balance them. The sum of 832 million yen of government bonds to be issued for financing the fifty-four special budgets for 1942-43 (*Oriental Economist*, May 1942, p. 239) is comparatively high. Normally, the amount was much smaller, and we shall therefore refrain from studying the special budgets and limit ourselves to following the development of the national budget and the extraordinary account for the China incident and for the Greater East Asia War. These two budgets are of decisive importance for the financial conditions of the whole country. (The curves in our chart representing these two budgets are drawn according to figures published in *Oriental Economist*, May 1942, p. 221.)

As we said before, the national budget contains the funds granted by the Diet to the thirteen State ministries. An exception was made in the budget for 1942-43 in so far as the major part of the expenditure for Army and Navy, which was otherwise contained in the budget

of the War and Navy Ministries, was transferred to the extraordinary account for the Greater East Asia War.

WAR EXPENDITURE AND ITS SECURITIES

The extraordinary account for the China incident was opened in September 1937 by the seventy-second Diet. It began with the expenditure for the Japanese forces in North China and extended with the spread of the conflict. As is only natural, no details are published on how these funds are spent. But recently a high officer declared in public that only 15 per cent of these expenditures had had to be used for the hostilities in China, the remaining 85 per cent having been used for increasing the general armed strength.

With the outbreak of the Greater East Asia War, this extraordinary account for the China conflict was transferred to the newly opened account for the Greater East Asia War. This latter extraordinary account, however, is also not exclusively a military budget. It contains in addition the grants for the South Seas development funds, in other words the entire financing of the economic reconstruction of the newly conquered regions of the Philippines, Malaya, the Dutch East Indies, and Burma. In a way, these rich, raw-material countries represent the security for the entire financial development of the future. No definite figures can, however, be given in this connection, as no one can predict in what order and to what extent the reconstruction will proceed.

This economic potentiality of the rich southern territories must always be borne in mind when considering that, as shown in Chart II, the national budget plus the extraordinary account for the Greater East Asia War has risen considerably in comparison to the national income, namely, from 25 per cent in 1937-38 to 62 per cent in the fiscal year 1942-43.

CONTROL OF INVESTMENTS

How are the means for these two main parts of the State budget obtained? The national budget is financed almost entirely by taxes, and only a small share

is covered by State loans, as can be seen from our chart.

Only in 1941-42 and 1942-43 did the share increase of funds obtained through the issue of bonds. However, the extraordinary accounts for the China incident and the Greater East Asia War have from the very beginning been covered almost exclusively by the issuing of bonds. Hence it follows automatically that the problem of floating State loans has grown considerably in importance.

At the beginning of the China incident the Japanese Government was already fully aware of the fact that the expenditures arising from it would have to be financed without foreign aid. Placed entirely upon its own resources, the Government therefore regarded it as indispensable that the distribution of means available for investment no longer be left to chance.

The first step in the direction of State control was the investment control law passed on September 27, 1937, which obliged all financial institutions to obtain the permission of a commission for any large bond issue. The Bank of Japan had a leading place in this commission. In this way, the Bank of Japan was placed in a position to form an opinion on the amount of money available for investment in bonds. It was aided in this by having been given a key position in the financing of the war. The Bank of Japan has been underwriting all bonds, issued generally once a month by the Ministry of Finance, whether they are bonds to cover the deficit in the national budget or bonds for the extraordinary expenditure for the China incident or, at present, the Greater East Asia War.

MAKING IT EASY TO SAVE

The bonds issued every month by sanction of the Diet amount to from 400 to 1,000 million yen. As a rule, the Bank of Japan takes the entire issue en bloc and gives the Ministry of Finance bank notes or power of transfer. With these funds the Ministry of Finance and the other Ministries pay their bills or make down payments on orders placed with industry. In the hands of the payees, usually in the

hands of the owners of industry, this money is transformed into wages and profits and finds its way into the hands of the financial institutions. At the last two stages the decisions are made which determine its investment and the carrying out of the savings program.

Are the wages and profits used for consumption or for savings? For years the Japanese State has successfully been attempting to prevent luxury articles of all kinds from being offered to the public. By this means, the decision between consumption and savings is made more and more in the favor of savings, and now only a secondary decision remains to be made: where is the money to be invested? Here the financial institutions exert a very strong influence; the institutions themselves, however, are again influenced by the Government and receive their instructions from savings committees.

These savings committees originated in March 1938, when the Ministry of Finance organized a national savings mobilization center. In the meantime, the savings committees have changed their name, but in practice the fact remains that savings programs were worked out in which the individual groups of financial institutions were given certain minimum figures to supply. The organizations formed by the various kinds of financial institutions—organizations which have grown increasingly stable and were given a semi-official status this year—then distribute these quotas among their subdistricts and their individual enterprises. The extent of the savings program can be seen from the following table:

TABLE I
SAVINGS PROGRAMS 1938 TO 1942
(in 1,000 million yen)
(from *Oriental Economist*, April 1942, p. 177)

Fiscal Year	For National Bonds	For Industrial Expansion	Total
1938-39	5.0	3.0	8.0
1939-40	6.0	4.0	10.0
1940-41	8.0	4.0	12.0
1941-42			
1st version	7.5	6.0	13.5
2nd "	11.0	6.0	17.0
1942-43	17.0	6.0	23.0

VALUES ARISE FROM EXPENDITURE

By comparing the aims set up for government bonds and those for industrial expansion, we see that it has still been possible to reserve a considerable share, namely, 40 per cent, of the total savings for investment in new factories. In most war financing, a consumption is financed which does not directly produce new economic values for the post-war period. In Japanese war financing, however, this is not the case.

Let us first consider the 60 per cent of savings which are needed to absorb the government bonds underwritten by the Bank of Japan. These funds made it possible for the Japanese Army, as early as 1937, to send large groups of men to China, with the result that one cannot speak of unemployment in the mother country since 1938. This also applies to the white-collar class, for whom the chances of employment were especially unfavorable. Furthermore, by occupying rich raw-material areas in North and Central China, the army has created the possibility of purchasing raw materials in a sphere dominated by Japanese currency. It is a well-known fact that this is the only possible way of solving the "have-not" question, which has been mainly responsible for the present world conflict.

With the extension of the China conflict to the Greater East Asia War, those parts of the Japanese economy which were adjusted to trade with the Anglo-Saxon countries were forced to readjust themselves. However, since the Japanese armed forces have succeeded in one swift blow after another and with comparatively small losses in conquering the richest raw-material areas in the world, even the high amounts required for government bonds in the fiscal year of 1942-43 will represent an expenditure which will create new economic values.

REVOLUTIONIZING WORLD ECONOMICS

Now let us turn to the 40 per cent of the savings program which is needed for the expansion of industry. It represents industrial plants in the making, which

are of revolutionary importance for the entire structure of world economics. From a country that exported textile raw materials and half-finished textile products in order to be able to import all other products of modern economics, the war of 1914-1918 had transformed Japan into a country that, to a growing extent, manufactured cheap articles of the consumption-goods industry from imported raw materials for her own needs and a gradually expanding export trade. Only for the first stages of the metal industry, as, for example, for pig iron, scrap iron, and steel bars, and for machinery, was Japan still largely dependent on imports from those countries which have invented the modern forms of warfare.

The investments of the savings program under the heading of "Industrial Expansion" are aimed at doing away with this dependence on foreign countries. Hence iron-producing plants and machine works are being erected, so that after this war we can expect that only that type of trade will be carried on between Japan and the countries outside of the East Asiatic sphere which, according to past experience, is carried on between industrial countries of the same stage of development. To judge by the experiences made within Europe and in the trade between North America and Europe, trade between highly industrialized countries is extensive and profitable for both sides.

INNATE THRIFT

In regarding Japan's financing of the China conflict, Anglo-American authorities have, very shortsightedly, always only considered the absolute figures of the note circulation and of the budgets. The question was never asked: what does the Japanese Government do with the money saved by the Japanese people? These authorities should have known that the Japanese people, far from being inclined to extravagance, know the value of money very exactly. Almost every member of the Japanese national family has always been accustomed to counting, not only the *sen* (the Japanese penny),

but also the tenth of a sen, the *rin*. The extremely complicated and detailed regulations of the Ministry of Finance concerning the budget, accounting in private industrial enterprises, and insurance, show diligence and talent.

We can only roughly outline the savings mechanism here. It should be borne in mind that in Japan it is customary to indicate the rate of interest, not in per cent per annum, but in *rin* per day. This explains the many figures behind the decimal point when Japanese rates of interest are given in the Western manner, that is, in per cent per annum. For example, the statistics of the Bank of Japan show that the rate for unconditional call money for Osaka in April 1942 was between 0.675 and 0.875 sen per day, that is, $6\frac{3}{4}$ and $8\frac{3}{4}$ *rin*. Multiplying this figure by 360 days, we obtain a rate of 2.43 to 3.15 per cent per annum. By this very subtle graduation of the rates of interest, a competition is possible between the various financial institutions such as is hardly known in Europe.

A NATION SAVES

In savings statistics, besides ordinary commercial banks, savings banks, trust companies, the Postal Savings Bank, various co-operative societies, insurance companies, and direct share investments are listed. The following table shows how the savings have increased every year in the various kinds of financial institutions:

TABLE II
INCREASE IN SAVINGS (in million yen)
(from *Oriental Economist*, May 1942, p. 246)

	1938-39	1939-40	1940-41	1941-42
Postal Savings Bank...	815	1,384	1,715	1,978
Ordinary insurance reserves and postal insurance reserve.....	215	286	412	432*
Deposits in banks and savings banks.....	3,062	4,906	4,981	5,917
Deposits of credit associations.....	414	963	1,259	1,177*
Trust funds.....	224	297	323	335
Insurance funds.....	452	472	767	928*
Savings in co-operative credit associations.....		104	196	
Investments in shares & debentures.....	2,151	1,788	3,164	2,723*
Total of savings.....	7,333	10,202	12,817	13,490
Goal set for savings..	8,000	10,000	12,000	13,500

*April to December only.

A comparison of the total savings with the goal set for savings reveals that it has been possible since 1938 to obtain the necessary savings. For the fiscal year 1941-42 we have taken the goal set for savings before the outbreak of the Greater East Asia War, since statistics for ordinary insurance reserves, deposits of credit associations, insurance funds, co-operative credit associations, and investments in shares and debentures are available only for the first nine months of the fiscal year. As a result of the outbreak of the Greater East Asia War, the goal set for savings for 1941-42 was increased to 17,000 million yen. According to the informal figures given on the increase in savings during the first few months of 1942, there can be no doubt that savings are being successfully brought up to the amount demanded.

In view of the difficulty and the novelty of this task, it is a great triumph on the part of the Government to have reached this goal. It has done its share in aiding this development by never using to the full the amounts approved by the Diet for bonds to be floated. By this means it has done much to strengthen the confidence so necessary in questions of credit.

RIISING PRICES AND PROSPERITY

So far we have not dealt with the problem of the purchasing power of the national income, of the State budget, and of the savings. The reason for this is that—since there are obviously various possible valuations—the problem of purchasing power can only be fruitfully discussed after all figures connected with Japanese war financing have been presented.

After all, the problem of price which we are now approaching has so many different aspects that it is very difficult to do justice to all these various points of view. Those who have consciously gone through the economic world crisis of 1929-1932 are cured for the rest of their lives of regarding a rise in prices in itself as something dangerous. What would many countries have given during

those years to be able to bring about price increases like those experienced by Japan since shortly before the beginning of the China conflict!

We must point out above all that, through price increases, all debtors with debts at fixed rates of interest obtain alleviation of their burdens of debt. Moreover, they do not suffer from the price increase, since the income from the sale of their own products rises with the increase in the price of the goods they have to buy. The typical debtor of this kind throughout the world is the farmer, at least in those countries where the most primitive forms of usury have been done away with. Hence the price increases in Japan have definitely alleviated the lot of the farmer, although not fully, because the prices for various agricultural products have not been allowed to rise as much as those for goods which the farmer must buy.

A UNIFORM RISE

In the table below, we have compiled from the price-index publications of the Bank of Japan the wholesale rice index and the wholesale index for 110 trade goods together with the bank-note issue of the Bank of Japan.

TABLE III

	Wholesale Index of the Bank of Japan at end of fiscal year (Oct. 1900: 100)		Bank - Note Issue of the Bank of Japan at the end of March (in 1,000 mill. yen)	Monthly Turnover of the 56 Clearinghouses in March (in 1,000 mill. yen)
	Domestic Rice	Total Index		
1937	266 (= 100)	239.8 (= 100)	1.57 (= 100)	8.1 (= 100)
1938	294	251.5	1.95	7.7
1939	304	264.8	2.40	8.5
1940	375	311.9	3.31	10.6
1941	375	322.7	4.12	11.4
1942	383 (= 145)	352.8 (= 147)	5.31 (= 338)	11.4 (= 141)

For the sake of clearness, the figures for 1937 and 1942 are repeated in brackets in such a way that those for 1937 are regarded as 100, while those for 1942 were calculated on this basis of 100.

The most important fact revealed by this table is that, after five years of war, it has been possible to maintain a wholesale index which has remained almost exactly parallel to the rice index. So the most important staple has risen only 45 per cent and the entire wholesale index only 47 per cent. It is obvious that it

is not necessary to maintain prices for less essential goods at so low a level. The less essential an article, the more can it be permitted to rise, in order that the incentive to spend valuable savings on this article be reduced to a minimum.

While the price index of essential goods has risen very moderately, the bank-note issue of the Bank of Japan has more than tripled. The reason for this is mainly a technical one. In all periods of great political events, terms of payment are shortened. Until 1937, yearly settlements were customary in East Asia to an extent hardly ever known in Europe. During the last four years, however, cash payments have become more and more usual. Of course, this has led to a considerable increase in the issue of bank notes. The development of the monthly turnovers of the clearinghouses in March, shown in the table, proves that the total circulation has not increased as much. These monthly turnovers of the clearinghouses have only risen 41 per cent from March 1937 to March 1942.

A further technical reason for the increase in the issue of notes is the increase in the amount of government bonds in the hands of the Bank of Japan. While, with a bank-note issue in March 1937 of 1,570 million yen, the Bank of Japan held government bonds to the amount of 630 million yen, at the end of March 1942 it held 5,020 million yen of government bonds with a note issue of 5,310 million yen. The reason for this is that the Bank of Japan is retaining a growing amount of government bonds and using them as cover for its note issue.

GOVERNMENT BONDS ARE ABSORBED

During the course of the five war years, the system of note-issuing has been modernized to a large degree. Gold and commercial drafts no longer play any part as note coverage, so that the absorption of the bonds floated by the Ministry of Finance and underwritten by the Bank of Japan has assumed overwhelming importance. The following table shows how they have been absorbed so far:

TABLE IV
 ISSUE AND ABSORPTION OF GOVERNMENT BONDS
 FROM JULY 1937 TO MARCH 1942
 (from *Oriental Economist*, May 1942, p. 233)

Calendar Year	Bonds Issued (in 1,000 mill. yen)	Bonds Absorbed by the Market	
		(in 1,000 mill. yen)	per cent
July/Dec. 1937	1.3	0.7	56
Jan./Dec. 1938	4.3	3.8	88
Jan./Dec. 1939	5.3	4.7	89
Jan./Dec. 1940	6.7	5.2	79
Jan./Dec. 1941	8.8	7.4	84
Jan./Mar. 1942	3.0	3.1	103

An average of 85 per cent of the government bonds floated from July 1937 up to March 1942 has thus been absorbed, so that only 15 per cent have remained unsold in the hands of the Bank of Japan and have led to the bank-note circulation being increased. Theoretically one might say that the note issue, being mainly responsible for an increase in prices, need only be maintained within its present limits for the basic problem of war financing to have been solved. In future, the main thing would be to see that 85 per cent of the government bonds issued were always absorbed, and one could then count on the price increase remaining within the moderate limits shown during the last five years. However, things are not quite as simple as that.

First of all there is the small change, issued by the Bank of Japan in addition to its note issue and without cover. It rose from 11 million yen in March 1937 to 452 million yen in March 1942. Although these are amounts that do not make much of a difference, they must still be considered.

Then we must take into account the absolute total of government bonds issued. At the outbreak of the China incident, the Japanese domestic indebtedness amounted to 9,300 million yen. By March 1942, this amount had been increased by 29,400 million yen. At the rate of interest of $3\frac{1}{2}$ per cent per annum set for these bonds, the total of 38,700 million yen entails a yearly debit of 1,350 million yen. This burden is by no means alarming, especially since the interest payments on government bonds in foreign currency to the nominal amount of 1,200 million yen have ceased, as the creditors

were countries with whom Japan is now at war.

So neither bank notes nor credit have been inflated to a degree involving any danger.

SKILLFUL FINANCIAL PILOTS

Japanese financial circles and experts are thoroughly acquainted with the most modern works of financial theory from all countries, either in translation or in the original. Hence they know very well that there can be no *status quo* in the value of the money, that, instead, there are only two possibilities:

- (1) Means of payment increase faster than goods=inflation.
- (2) Goods increase faster than means of payment=deflation.

It is, therefore, always a question of two movements and their relationship to one another. And the financial policy of a country has only to see to it that the pace of these two movements—increase of goods and increase of means of payment—does not differ too much and that inflation or deflation be kept within the limits demanded by the situation.

Japanese economic writers are so well trained in these modern ideas that their discussions deal only with the question of whether the border line between an advantageous and a too rapid inflation has been reached or not. No one is frightened by the word "inflation" as such. For the Japanese know, from their own history as well as from that of other states, that a mild inflationary tendency can have its political advantages as a curb on interest-bearing property and as a compensation for the natural economic inferiority of the farmer as opposed to capitalist trade. The limits for this inflationary tendency are reached when the desire to save is threatened. That these limits have not even appeared on the horizon is shown by the good absorption of the government bonds issued and by the fact that no compulsory savings measures whatever have been necessary. The Japanese Army, which is composed

largely of rural circles, seems to be supporting the principle of an inflationary tendency as outlined above. In doing this, it is fully aware of the limitations of this financial policy, namely, that the means of payment must always be kept in a certain relationship to the quantity of goods.

ABUNDANCE REPLACES SHORTAGE

Between the freezing of the Japanese foreign credits in July 1941 and the outbreak of the Greater East Asia War it sometimes seemed as if the stagnation of the turnover in clearings was going hand in hand, not only with the extreme dullness on the stock exchanges, but also with a backward tendency in the movement of goods as a whole. This represented a danger which was openly expressed in the economic press of the country. The freezing had resulted in a shortage of raw materials and consequently in a decrease in the domestic supply of goods. On the other hand, there had been no change in the supply of money, so that the precarious relationship between means of payment and supply of goods became unbalanced. In order to normalize the relationship again, Japan had to obtain goods. Since the goods of China and Indo-China were insufficient, she made great efforts by peaceful means to obtain additional goods from the Dutch East Indies. However, all her patient negotiations with the NEI Government for an adequate trade

agreement came to nought. Quite aside from other considerations of grand politics, Japan had finally to take the necessary steps to assure herself of additional sources of goods.

Now that the Dutch East Indies and large parts of southeastern Asia have come within the realm of Japanese currency and economics, the creation of a balance between the quantity of goods and the means of payment has become simply a problem of transportation. Within her sphere of domination, Japan has raw materials in unlimited quantities, and it is only necessary to distribute these goods with the proper speed and in such a manner that they remain in the appropriate relationship to the current means of payment.

Thus Japanese war financing has turned from a struggle with scarcity to the controlling of a potential superabundance. Without doubt, this is a new situation for Japan, but a situation which enables her to wage a war of any duration. This means that the hitherto potential bottleneck "quantity of goods," or, in other words, "raw materials," has disappeared; and if we ask for the next possible bottleneck, then this is to be found in the direction of proper employment and adequate training of men, who, as regards numbers, are sufficiently available. In other words, it is to be found there where Japan is strongest, where human will power, endurance, and energy can accomplish the most.

